

“What should be in a good governance code for European team sport federations?”

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Aim of abstract/paper – research question

The research is based around a simple concept, namely to answer the following question: “What should be in a ‘Good Governance Code’ for European Team Sport Federations?” A company listed on a stock exchange receives a “Good Governance Code” (or similar) from the stock exchange which explains the governance criteria that the company must comply with. Similar codes or, at least, good practice guides exist for NGOs, public bodies and other types of organisations. At the moment, however, the six members of the Association of European Team Sports (“ETS”) do not have any such code/criteria applicable to their specific type of organisation and activities. This does not necessarily mean that there is bad governance, but rather that the issue has never been addressed in a systematic, strategic way. There is, however, increasing evidence that supports the need for such a Good Governance Code (or similar).

Theoretical background / literature review

Three main assumptions formed the theoretical basis for the research. Firstly, that there is a need for such a code. Secondly, that there is currently no existing applicable typology/theory to organisations like ETS Federations. Thirdly, that no systematic central analysis has ever been undertaken with in-depth access to President, Board and CEO/General Secretary-level interviewees.

The literature review comprised both the large existing generic governance literature applicable to corporations and, where applicable, other types of relevant entities (e.g. NGOs, other civil society organisations, public agencies/bodies) and the existing (albeit relatively small) sports-specific governance literature (both academic and practitioner-based [i.e. codes, best practice guides, etc.]).

Methodology, research design and data analysis

The methodology of the research comprised three parts: firstly, an exhaustive literature review; secondly, a series of 36 semi-structured interviews with a high-level, representative sample of sports organisations and stakeholders; and thirdly, analysis and synopsis of the information gathered to reach conclusions. The areas examined as part of the interviews comprised an initial, spontaneous, open evaluation of what constitutes good governance, followed by 16 general areas comprising 52 specific questions.

Results, discuss and implications/conclusions

The general conclusions can be summarised as follows. The creation of a “Good Governance Code” for ETS Federations is necessary and should, as a minimum, address the following eight areas:

- Organisational Structures, in particular regarding: the assurance of democratic structures and processes; the

balance of powers between the different organs; the specific roles of the members, president, board, administration, committees and judicial bodies; and the involvement of stakeholders and minority views.

- Transparency, in particular regarding the communication of the organisational mission/vision/objectives/strategy, processes, key decisions and financial information.
- Accountability, with a focus on creating effective mechanisms of accountability, bearing in mind the difficulty of measuring success in sports organisations (compared to a company, for example, where shareholder value can be relatively easily measured).
- Ethical behaviour, in order to implement and maintain, and be seen to be maintaining, high ethical standards at all levels of sport.
- Commercial rights, in order to introduce best practice from outside sport regarding the awarding of commercial contracts, for example by adapting public procurement legislation.
- Selection of hosts for major events, ensuring that ETS members can illustrate that these increasingly important events are chosen in as transparent, rigorous and accountable a way as possible.
- Solidarity, which, although a “political” (rather than “corporate”) governance principle, is core to the activities of sports organisations i.e. not just running competitions but also directly developing sport. Here, corporate comparisons are less useful than those with standards set by NGOs (for example, regarding minimum proportions/amounts of development revenues/funding, controls and transparency over such distributions, etc.).
- Autonomy and relations with the political world, to define and establish best practice for relations with the political world where, in future, much work may need to be done by way of co-operation.

Based on these general conclusions, the main recommendation of the research is that the ETS should launch a process to further research, draft, agree and then implement a “Good Governance Code” (or similar). The research and conclusions of the research could potentially contribute to such a process. If successfully implemented, such a code would bring many benefits for both the organisations themselves and for their respective sports.

References

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